



RESOLUTION

SUPPORTING THE GOVERNOR'S EFFORTS TO INTERVENE BETWEEN NA POE KOKUA, THE HAWAII FAIR LENDING COALITION, AND THE BANK OF AMERICA TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150 MILLION LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS.

WHEREAS, in 1993, Na Poe Kokua (NPK), an organization established to assist native Hawaiians with housing and related matters, formed the Hawaii Fair Lending Coalition (HFLC) and began researching how banks in Hawaii were treating native Hawaiians; and

WHEREAS, among its findings, HFLC discovered that Bank of America (BofA) was conducting discriminatory lending practices in the form of redlining, the practice of denying services to residents of certain areas based on the racial or ethnic composition of those areas, by not providing mortgages on Hawaiian Home Lands; and

WHEREAS, in May 1994, as a result of HFLC's efforts and as a condition of BofA's acquisition of Liberty Bank, the Federal Reserve Board and the Office of Thrift Supervision ordered BofA to make \$150 million in FHA-247 mortgages available on Hawaiian Home Lands by 1998; and

WHEREAS, by the 1998 deadline, BofA had provided only \$3,109,502 of the \$150 million in FHA-247 mortgages ordered by the Federal Reserve Board and the Office of Thrift Supervision; and

WHEREAS, in 1998, BofA recommitted to meet the \$150 million loan commitment to native Hawaiians and to pay a \$4.5 million late fee based on the lost opportunity cost of its failure to fulfill its required commitment; and

WHEREAS, the BofA executive responsible for this recommitment was Catherine P. Bessant, then in charge of Community Development, who traveled to Hawaii with other senior bank executives in August 1998 to meet with then-Governor Benjamin Cayetano, Hawaiian kupuna, and other community leaders from NPK/HFLC at Iolani Palace; and

WHEREAS, in January 2010, Catherine P. Bessant became chief operations and technology officer at BofA, just as the Federal Bureau of Investigation and federal regulators were investigating BofA and other big banks for the infamous "robo-signing scandal" involving the use of millions of false documents to mislead courts across the nation, resulting in a \$25 billion national mortgage settlement; and



RESOLUTION

WHEREAS, in April 2012, the State of Hawaii Attorney General, along with 48 other state attorneys general forced BofA into the \$25 billion national mortgage settlement to resolve the robo-signing scandal involving false evidence of legal standing to foreclose that was filed in foreclosures throughout the State of Hawaii and other judicial foreclosure states, including the State of Florida; and

WHEREAS, pursuant to the terms of the \$25 billion national mortgage settlement, the State of Hawaii received \$7,911,883; and

WHEREAS, in 2012, the Hawaiian Homes Commission unanimously confirmed that the BofA commitment remained unfulfilled, and expressed support for HFLC's consistent and ongoing efforts to hold BofA accountable; and

WHEREAS, from 1994 to 2012, BofA originated only \$13,092,314 in FHA-247 loans on Hawaiian Home Lands, and has made no FHA-247 loans since, according to information provided by the United States Department of Housing and Urban Development (HUD) on August 20, 2018, in response to a Freedom of Information Act ("FOIA") request; and

WHEREAS, based on HUD data and the assumption that BofA is given credit for FHA-247 loans originated by Hawaiian Community Assets, preliminary estimates of BofA's late fees to date are approximately \$391 million for lost opportunities for building equity, reaping the benefits of a booming housing market, and paying affordable mortgages rather than skyrocketing rents over the last twenty years for 890 native Hawaiian families who should have received Bank of America mortgages by 1998, but did not, and the families who did receive loans up to thirteen years after the deadline; and

WHEREAS, on April 18, 2018, Governor David Ige invited Catherine P. Bessant to return to Hawaii for a meeting with NPK/HFLC "to reach a fair and final settlement of BofA's outstanding \$150 million commitment to the Hawaiian people on their homelands"; and

WHEREAS, on July 16, 2018, Governor David Ige filed an FOIA request with the Board of Governors of the Federal Reserve System, seeking access to all records relating to BofA's commitment to provide \$30 million in below market financing to low-income families residing in the County of Kauai by 1996 and BofA's commitment to provide \$150 million in FHA-247 mortgage loans by 1998; and



RESOLUTION

WHEREAS, on January 22, 2019, after months of delays, the Board of Governors of the Federal Reserve System granted Governor David Ige's FOIA request in part by providing 690 pages of documents, and denied the request in part by withholding numerous records, including records regarding BofA's acquisition of LaSalle Bank, which relate to BofA's \$150 million FHA-247 commitment to native Hawaiians; and

WHEREAS, on April 22, 2019, Governor David Ige appealed the Federal Reserve Board's denial and requested the release of the withheld records; and

WHEREAS, on November 2, 2018, the Council of the County of Maui adopted Resolution 18-178, entitled "SUPPORTING THE GOVERNOR'S EFFORTS TO INTERVENE BETWEEN NA POE KOKUA, THE HAWAII FAIR LENDING COALITION, AND THE BANK OF AMERICA TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150 MILLION LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS"; and

WHEREAS, on April 4, 2019, the Hawaii State Senate adopted Senate Concurrent Resolution 45, Senate Draft 1, entitled "SUPPORTING THE GOVERNOR'S EFFORTS IN INVESTIGATING AND URGING THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA POE KOKUA AND THE HAWAII FAIR LENDING COALITION REGARDING A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOMELANDS"; and

WHEREAS, on April 10, 2019, the Council of the County of Kauai adopted Resolution 2019-31, entitled "SUPPORTING THE GOVERNOR'S EFFORTS IN URGING THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA POE KOKUA AND THE HAWAII FAIR LENDING COALITION TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS"; and

WHEREAS, on July 9, 2019, the Council of the County of Hawaii adopted Resolution 209-19, entitled "A RESOLUTION SUPPORTING THE EFFORTS OF GOVERNOR DAVID Y. IGE TO URGE THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA POE KOKUA AND THE HAWAII FAIR LENDING COALITION REGARDING A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOMELANDS"; now, therefore,



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-196, FD1

RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu that it does hereby support the Governor's efforts to intervene between Na Poe Kokua, the Hawaii Fair Lending Coalition, and the Bank of America to reach a settlement agreement relating to a \$150 million loan commitment for native Hawaiians on Hawaiian Home Lands, now twenty years overdue; and

BE IT FURTHER RESOLVED that it urges Catherine P. Bessant to return to Hawaii to meet with NPK/HFLC to reach a fair and final settlement, as invited by Governor David Ige; and

BE IT FURTHER RESOLVED that in addition to providing the mortgages on Hawaiian Home Lands as ordered by the Federal Reserve Board, BofA must address the estimated \$360.6 million in lost opportunity costs for native Hawaiians on Hawaiian Home Lands and a \$4.5 million late fee for failing to fulfill its required commitment; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-196, FD1

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to Brian T. Moynihan, Chief Executive Officer, Bank of America; Anne M. Finucane, Vice Chairman, Bank of America; Catherine P. Bessant, Chief Operations and Technology Officer, Bank of America; Jerome H. Powell, Chairman, Board of Governors, Federal Reserve Board; Michelle W. Bowman, Chair of the Committee on Consumer and Community Affairs, Board of Governors, Federal Reserve Board; the Honorable David Ige, Governor of the State of Hawaii; the Honorable Brian Schatz, United States Senator; the Honorable Mazie Hirono, United States Senator; the Honorable Kirk Caldwell, Mayor, City and County of Honolulu; the Honorable Kelly T. King, Chair, Maui County Council; the Honorable Arryl Kaneshiro, Chair, Kauai County Council; the Honorable Aaron Chung, Chair, Hawaii County Council; and Kehaulani Filimoeatu, Na Poe Kokua/Hawaii Fair Lending Coalition.

INTRODUCED BY:

Ikaika Anderson

DATE OF INTRODUCTION:

August 14, 2019
Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 19-196, FD1

Introduced: 08/14/19 By: IKAIKA ANDERSON

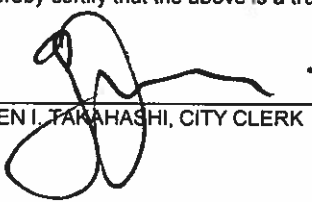
Committee: EXECUTIVE MATTERS
AND LEGAL AFFAIRS

Title: RESOLUTION SUPPORTING THE GOVERNOR'S EFFORTS TO INTERVENE BETWEEN NA POE KOKUA, THE HAWAII FAIR LENDING COALITION, AND THE BANK OF AMERICA TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150 MILLION LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS.

Voting Legend: * = Aye w/Reservations

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| 08/20/19 | EXECUTIVE MATTERS AND LEGAL AFFAIRS | CR-258 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, TSUNEYOSHI, WATERS. 1 EXCUSED: PINE. |
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| 09/04/19 | COUNCIL | RESOLUTION AMENDED TO FD1. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI, WATERS. CR-258 AND RESOLUTION 19-196, FD1 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI, WATERS. |

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TANAHASHI, CITY CLERK



IKAIKA ANDERSON, CHAIR AND PRESIDING OFFICER